



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[A-201-845]

Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico (as amended); Preliminary Results of 2017 Administrative Review

AGENCY: Enforcement & Compliance, International Trade Administration, Department of Commerce.

DATES: Applicable **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that the respondents selected for individual examination, Ingenio El Higo S.A. de C.V., Ingenio Melchor Ocampo S.A. de C.V., and Zucarmex S.A. de C.V. (and its affiliates) (collectively, Grupo Zucarmex), and Ingenio San Miguel Del Naranjo S.A. de C.V (and its affiliates) (collectively, Grupo Beta San Miguel), are in compliance with the Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico (AD Agreement), as amended on June 30, 2017 (collectively, amended AD Agreement), for the period October 1, 2017, through November 30, 2017, and that the amended AD Agreement is meeting the statutory requirements under sections 734(c) and (d) of the Tariff Act of 1930, as amended. Interested parties are invited to comment on these preliminary results.

FOR FURTHER INFORMATION CONTACT: Sally C. Gannon or David Cordell, Enforcement & Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, telephone: (202) 482-0162 or (202) 482-0408, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 19, 2014, Commerce signed an agreement under section 734(c) of the Tariff Act of 1930, as amended (the Act), with a representative of Mexican sugar producers/exporters accounting for substantially all imports of sugar from Mexico, suspending the antidumping duty (AD) investigation on sugar from Mexico.¹ On June 30, 2017, Commerce and a representative of Mexican sugar producers/exporters representing substantially all imports of sugar from Mexico signed an amendment to the AD Agreement.²

On December 29, 2017, the American Sugar Coalition and its Members³ (petitioners) filed a request for an administrative review of the amended AD Agreement.⁴ This review was initiated on February 23, 2018, for the December 1, 2016, through November 30, 2017,⁵ period of review (POR), but Commerce amended the POR on April 19, 2018, to reflect the period from October 1, 2017 to November 30, 2017 (including sales prior to October 1, 2017 that resulted in such entries).⁶ On May 23, 2018, Commerce selected mandatory respondents and issued its questionnaire to the four largest respondents in alphabetical order: Ingenio El Higo S.A. de C.V., Ingenio Melchor Ocampo S.A. de C.V, Ingenio San Miguel Del Naranjo S.A. de C.V, and Zucarmex S.A. de C.V.⁷

¹ See *Sugar from Mexico: Suspension of Antidumping Duty Investigation*, 79 FR 78039 (December 29, 2014).

² See *Sugar from Mexico: Amendment to the Agreement Suspending the Antidumping Duty Investigation*, 82 FR 31945 (July 11, 2017).

³ The members of the American Sugar Coalition are as follows: American Sugar Cane League, American Sugarbeet Growers Association, American Sugar Refining, Inc., Florida Sugar Cane League, Rio Grande Valley Sugar Growers, Inc., Sugar Cane Growers Cooperative of Florida, and the United States Beet Sugar Association.

⁴ See Letter from petitioners, entitled “Sugar from Mexico: Request for Administrative Review” (December 29, 2017).

⁵ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews*, 83 FR 8067 (February 23, 2018).

⁶ See Memorandum to P. Lee Smith, entitled “Administrative Review of the Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico, as Amended: Period of Review” (April 19, 2018).

⁷ See Memorandum to P. Lee Smith, entitled “2017 Administrative Review of the Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico As Amended: Respondent Selection” and “Questionnaire Regarding the Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico for the October 1,

Scope of Review

Merchandise covered by this amended AD Agreement is typically imported under the following headings of the HTSUS: 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1010, 1701.99.1025, 1701.99.1050, 1701.99.5010, 1701.99.5025, 1701.99.5050, and 1702.90.4000. The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this amended AD Agreement is dispositive.⁸

Methodology and Preliminary Results

Commerce is conducting this review in accordance with section 751(a)(1)(C) of the Act, which specifies that Commerce shall “review the current status of, and compliance with, any agreement by reason of which an investigation was suspended.” In this case, Commerce and a representative of the Mexican sugar producers/exporters accounting for substantially all imports of sugar from Mexico signed the AD Agreement, which suspended the underlying antidumping duty investigation, on December 19, 2014. Further, on June 30, 2017, Commerce and a representative of the Mexican sugar producers/exporters accounting for substantially all imports of sugar from Mexico signed an amendment to the AD Agreement. Pursuant to the amended AD Agreement, the Mexican signatories agreed that the subject merchandise would be subject to minimum reference prices and that at least 85 percent of the dumping from the original investigation would be eliminated, as outlined in the amended AD Agreement.⁹ The Mexican

2017 through November 30, 2017 Period of Review,” both dated May 23, 2018.

⁸ For a complete description of the Scope of the Order, *see* Memorandum to Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, from P. Lee Smith, Deputy Assistant Secretary for Policy and Negotiations, “Decision Memorandum for Preliminary Results of Administrative Review of the Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico,” dated concurrently with, and hereby adopted by, this notice (Preliminary Decision Memorandum).

⁹ *See AD Agreement*, 79 FR 78041, 78042, and 78044, at Price Undertaking. *See also AD Amendment*, 82 FR 31945, 31946.

signatories also agreed to other conditions, including the reporting of the polarity testing of Other Sugar¹⁰ and enhanced monitoring.¹¹

After reviewing the information received from the respondent companies in their questionnaire and supplemental questionnaire responses, we preliminarily determine that the respondents have adhered to the terms of the amended AD Agreement and that the amended AD Agreement is functioning as intended. Further, we preliminarily determine that the amended AD Agreement is meeting the statutory requirements under sections 734(c) and (d) of the Act. For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum. Commerce notes that it is addressing one issue related to Grupo Zucarmex, which involves discussion of business proprietary information, in a separate memorandum.¹²

Public Comment

Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs in accordance with 19 CFR 351.309(d)(1). Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to provide: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.¹³

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request filed electronically via ACCESS.

¹⁰ See *AD Agreement*, 79 FR 78040, 78046-78047 at Definitions and Export Limits. See also *AD Amendment*, 82 FR 3193, 31944.

¹¹ See *AD Agreement*, 79 FR 78040, 78048 at Export Limits and Implementation. See also *AD Amendment*, 82 FR 31944.

¹² See Memorandum to Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, from P. Lee Smith, Deputy Assistant Secretary for Policy and Negotiations, "Memorandum with Respect to Sales Observations reported by Grupo Zucarmex" (Zucarmex Memorandum) dated December 14, 2018.

¹³ See 19 CFR 351.309(c)(2) and (d)(2).

An electronically filed document must be received successfully in its entirety by Commerce's electronic records system ACCESS, by 5:00 p.m. Eastern Standard Time within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: December 14, 2018.

Gary Taverman,
*Deputy Assistant Secretary
for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.*

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